

### Old Age, Disability, Death

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First law: 1941.

Current law: 1995.

Type of program: Social insurance system.

**Exchange rate:** U.S.\$1.00 equals 217.07 colones.

#### Coverage

Employed persons in public and private sector.

Voluntary coverage for self-employed.

#### Source of Funds

**Insured person:** 2.5% of earnings. Self-employed, 4.50-7.25% of earnings.

**Employer:** 4.75% of payroll.

**Government:** 0.25% of total covered earnings. (Full amount not paid regularly in the past.)

#### Qualifying Conditions

**Old-age pension:** Age 61 and 11 months (men); age 59 and 11 months (women). Required monthly contributions decrease with age at retirement; 466 at earliest retirement age, down to 240 at age 65.

Retirement from covered employment unnecessary.

Payable abroad.

**Disability pension:** Loss of 66-2/3% of usual earning capacity.

Number of required contributions varies by age.

Minimum: up to age 24, 12 contributions.

Maximum: age 52-65, 120 contributions.

**Survivor pension:** Deceased was eligible for old age or disability pension, or had 12 contributions in the last 24 months, or 180 contributions at any time.

#### Old-Age Benefits

**Old-age pension:** 60% of average earnings based on highest 48 monthly wage or salary payments during last 5 years of coverage. Basic benefit increased by 0.0835% of average earnings for each month of contribution above 240.

Increment of 1.5% , 2% , and 2.5% of pension for 1st, 2nd, and 3rd year retirement is deferred beyond age of initial eligibility.

Minimum pension: 21,000 colones a month (if computed amount smaller, lump sum is paid).

Maximum pension: 226,056 colones a month (up to 319,869 colones in case of deferred retirement).

Schedule of payments: 13 payments a year.

Adjustment: Adjustment of pensions twice a year, in January and July.

#### Permanent Disability Benefits

**Disability pension:** Same as old-age pension.

Lump-sum grant: 7 months' average earnings.

Schedule of payments: 13 payments a year.

Adjustment: Adjustment of pensions twice a year, in January and July.

#### Survivor Benefits

**Survivor pension:** Widow or female companion under age 50, 50% of pension of insured; 60% if survivor between ages 50 and under age 60; 70% if over age 60 or disabled.

Minimum pension: one survivor, 70% of pension of insured; two survivors, 100%. Orphans: Under age 18, students (ages 18-25) or disabled, 30% of pension of insured. Dependents over age 55 or full orphan, 60%. Other eligible survivors: parents and siblings, 20% for each.

Maximum survivor pension: 100% of pension of insured.

Funeral grant: Cost of burial; minimum, 20,000 colones; maximum, 80,000 colones.

Adjustment: Adjustment of pensions twice a year, in January and July.

#### Administrative Organization

Costa Rican Social Insurance Fund, administration of program directed by executive president and 9-member board.

A State Auditor supervises the financial operations of the Fund.

### Sickness and Maternity

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First law: 1943.

Current laws: 1952 and 1982.

Type of program: Social insurance system. Cash and medical benefits.

#### Coverage

Employed persons, including self-employed. Pensioners also covered for medical benefits.

**Medical care:** All residents.

#### Source of Funds

**Insured person:** 5.5% of earnings. Self-employed pay 6.43% of earnings (average). Pensioners pay 12.25% of pension.

**Employer:** 9.25% of payroll.

**Government:** 0.25% of total covered earnings.

#### Qualifying Conditions

**Cash sickness and medical benefits:** Contribution in month preceding onset of illness, and currently registered for cash sickness. For medical benefits, coverage begins in the month in which insured registers.

**Cash maternity benefits and maternity care:** 26 weeks of contribution during last 52 weeks. Wife of insured eligible for maternity care if insured contributed in month preceding birth.

#### Sickness and Maternity Benefits

**Sickness benefit:** 60% of earnings during last 3 months.

Maximum payment: there is no maximum limit.

**Maternity benefit:** 50% of earnings, payable for 30 days before and 90 days after confinement for a total of 4 months.

#### Workers' Medical Benefits

Medical benefits: Medical services ordinarily provided directly to patients through medical facilities of Social Insurance Fund.

Includes general and specialist care, hospitalization, medicines, dental, auditory, and limited optometry services; maternity care, and appliances (at reduced cost). Social assistance to low income groups. Payable up to 52 weeks (may be extended in special cases).

### **Dependents' Medical Benefits**

Medical benefits for dependents: Same as for insured.  
Lump sum death benefit: Minimum, 20,000 colones; maximum: 80,000 colones (payable for insured, spouse or female companion).

### **Administrative Organization**

Costa Rican Social Insurance Fund, administration of program.  
Fund owns and operates 29 hospitals and 152 clinics and is gradually extending jurisdiction over others according to law for integration of services with the Ministry of Health.

### **Workers' Medical Benefits**

**Medical benefits:** Medical and surgical care, hospitalization, medicines, appliances, and rehabilitation.

### **Survivor Benefits**

**Survivor pension:** Widow or disabled widower, 40% of earnings of insured if sole survivor; 30% if there are other eligible dependents. Payable for 10 years. May be extended for additional five year periods if there is economic need. 20% of earnings of insured payable to the mother or 30% if there are no dependent children, for 10 years.

Orphans: 15% to 40% of earnings if 1-3 orphans under age 18 (25 if student in higher education, no limit if disabled), 35% if full orphan (20% each if two or more). Also payable to dependent father or other dependent adults including those aged 60 and unable to work. Maximum survivor pensions: 75% of earnings of insured, provided this amount exceeds the minimum wage; if not, 100% of the minimum wage.

Funeral grant: 35,000 colones (as of 1993).

### **Administrative Organization**

Ministry of Labor and Social Security, enforcement of law.  
National Insurance Institute, administration of program.

## **Family Allowances**

First law: 1974.  
Type of program: Social assistance.

### **Coverage**

Indigent, old age, survivors and disability pensioners.

### **Source of Funds**

**Insured person:** None.  
**Employer:** 5% of payroll.  
**Government:** Percent of yield of sales tax.

### **Qualifying Conditions**

**Family allowances:** Payable to persons over age 65, disabled persons, widows with dependents under age 18 or disabled at any age, widows over age 50 with no dependents and those ineligible for benefits under contributory system with demonstrated need.

### **Family Allowance Benefits**

**Family allowances** (means-tested): Up to 9,750 colones a month for a beneficiary with 3 or more dependents. Reduced benefit if fewer dependents.

### **Administrative Organization**

Ministry of Labor and Social Security, general supervision.  
Social Development and Family Allowances Fund, direction of program.  
Costa Rican Social Insurance Fund, administration of program.

## **Work Injury**

First law: 1925.  
Current law: 1982 (labor code).  
Type of program: Mixed compulsory and voluntary insurance with public carrier.

### **Coverage**

Employed persons.

### **Source of Funds**

**Insured person:** None.  
**Employer:** Whole cost, through insurance premiums varying according to risk.  
**Government:** None.

### **Qualifying Conditions**

**Work-injury benefits:** No minimum qualifying period.

### **Temporary Disability Benefits**

**Temporary disability benefit:** 75% of daily earnings for first 45 days; thereafter 100% of first 841 colones per day, 75% of earnings over 841 colones per day.  
Minimum benefit equals legal minimum wage at the time that the injury occurred. Payable from day of injury for up to 2 years.

### **Permanent Disability Benefits**

**Permanent disability pension:** Total disability: If the incapacity is more than 67%, 100% of minimum wage plus 90% of earnings that exceed the minimum wage, payable monthly.  
Grants awarded to purchase, rent or modify a house.  
Partial disability: If the incapacity is between 50% and 67%, benefit equals 67% of earnings payable for up to 10 years.  
If the permanent incapacity is between 0.5% and 50%, benefit equals percent of incapacity times the annual earnings, payable for up to 5 years. May be extended for additional five year periods if the insured shows economic need.  
Constant attendance allowance: 14,000 colones a month (as of 1993).